

# High Desert Consulting

PO Box 10  
Milford, Utah 84751  
801-387-5503

DOGM  
MINERALS PROGRAM  
FILE COPY

September 27, 1993

RECEIVED

OCT 04 1993

DIVISION OF  
OIL, GAS & MINING

D. Wayne Hedberg  
Division of Oil, Gas and Mining  
Department of Natural Resources  
State of Utah  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84108-1203

Re: Reclamation Status, Crystal Peak  
Minerals Corporation M/027/008,  
Millard County, Utah

Dear Mr. Hedberg:

Reclamation work at the Sevier Lake Project has been essentially completed in accordance with the reclamation outline provided by the Warm Springs Resource Area, Bureau of Land Management (Rex Rowley, 6/29/93). The only remaining item on the list prepared by CPMC, BLM, and DOGM is the reclamation seeding the access road and campsite area. This has been scheduled for November when planting conditions will be optimal. Stephen Ellis, an experienced reclamation seeder, has been prepaid by CPMC to do the required work per BLM specifications (See attached letter to Ellis dated September 11, 1993).

The reclamation bonding posted by Crystal Peak pursuant to the Reclamation Contract dated July 6, 1989, consists of:

a. Corporate Surety Bond No. 8112-68-53 dated January 14, 1987, naming Crystal Peak Minerals Corporation, as principal, and Federal Insurance Company, as surety, in the amount of \$53,000 presently posted with the Bureau of Land Management for obligations under Federal Potassium Leases which were relinquished and surrendered by Crystal Peak to the BLM on May 6, 1993.

D. Wayne Hedberg  
Division of Oil, Gas, Mining  
September 27, 1993  
Page -2-

b. Corporate Surety Bond No. 4600013 dated August 1, 1989, naming Crystal Peak Minerals Corporation, as principal, and Hartford Accident and Indemnity Company, as surety, in the amount of \$5000, to the Utah Board of State Lands and Forestry for obligations under State of Utah Special Use Lease Agreement No. 752, relinquished by Crystal Peak on May 7, 1993.

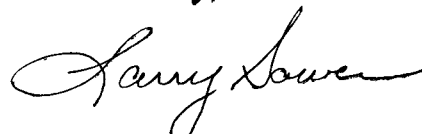
c. Board Contract dated August 1, 1989 executed by Crystal Peak Minerals Corporation to the Utah Board of Oil, Gas, and Mining in the amount of \$59,000.

With completion of its reclamation obligations under the terms of the Reclamation Contract, Crystal Peak Minerals Corporation requests certification from DOGM that disturbed areas have been reclaimed and Crystal Peak and its sureties are discharged from liability under the Reclamation Contract, the bonds and the Board Contract.

The \$53,000 surety bond posted with the Bureau of Land Management will remain in place until acceptance of the federal lease relinquishments is finalized with the BLM.

The site is ready for a final inspection by DOGM and/or BLM personnel. As you can tell by the change in letterhead, the Utah operations of Crystal Peak have been terminated. I have been retained on a consulting basis to handle the final closure. Arrangements for a site visit or other necessary closure details will be handled through High Desert Consulting. The new phone number is 801-387-5503.

Sincerely,



Larry Sower  
Agent  
Crystal Peak Minerals

cc: Rex Rowley  
Allen Vance  
David Newman  
Mark Kuebler  
Oliver Gushee